



FOR CLERK USE ONLY	
RDA	24
Item No.	

CALEXICO COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF CALEXICO FACT SHEET

Redevelopment Agency

Department

15-Mar-10

Requested Date

1. **Request:**

RDA Approval

☒

Information Only/
Presentation

☐

Other (specify)

☐

Hearing

☐

2. **Requested Action:**

Approve in concept a \$50,000 loan to Felix Meza doing business as El Sol del Valle pending receipt of a title report and appraisal on the collateral to be used as security for repayment of the loan.B1

3. **Fiscal Impact:**

Revenue:

Increase

☐

Source:

Decrease

☐

Amount:

Cost:

Increase

☒

Source:

RDA Revolving Loan Fund

Decrease

☐

Amount:

\$50,000.00

Does Not Apply ☐

4. **Reviewed By:**

Finance Dept. on

Comments:

By:

City Attorney on

Comments:

By:

Note: Back up must be submitted along with this form. Deadline is 5:00 p.m., 2 Fridays before the scheduled meeting date.

CLERK USE ONLY

RDA DATE:

Action

☐

Filing

☐

Consent

☐

Presentation

☐

Hearing

☐

Other(specify)

☐

Reviewed by: City Clerk

Date

City Manager

Date

REDEVELOPMENT AGENCY AGENDA REPORT

SUBJECT: Request by Felix Meza (doing business as El Sol Del Valle) for a \$50,000 low interest loan

AGENDA DATE: March 16, 2010

PREPARED BY: Rosalind Guerrero, RDA Director 

APPROVED FOR AGENDA BY: Victor M. Carrillo, City Manager/Ex. Director

RECOMMENDATION: Approve in concept a loan in the amount of \$50,000

FISCAL IMPACT: \$50,000 Redevelopment Agency budget

BACKGROUND INFORMATION:

Felix Meza, doing business as El Sol Del Valle, a locally owned and operated newspaper since 1994 requested of the Calexico Redevelopment Agency financial assistance to expand in 2007.

Mr. Meza requested a loan in the amount of \$350,000. The Agency's loan limit is \$50,000 however; loan amounts over the amount approved in the loan guidelines may be appealed to the Agency Board. The Agency Board at that time approved a \$50,000 loan to Mr. Felix, however, Mr. Felix declined since the amount needed was more than the amount approved.

Mr. Meza is requesting a re-consideration of the \$50,000 loan that will allow the purchase of equipment that would further facilitate the business to publish a daily Spanish language newspaper. Mr. Meza has recently expanded to the City of Calexico and is located at 280 Campillo Avenue. El Sol del Valle currently employs 3 employees and with the expansion of the newspaper circulation intends to hire an additional 6 employees.

The Agency's revolving loan fund guidelines stipulate a maximum loan amount of \$50,000 to fill a gap in financing that may have been left due to the primary lender not funding the full amount needed. Mr. Meza has received financing in the amount of \$35,000 from the Small Business Development Center and has purchased a portion of the equipment needed. The additional funding by the Redevelopment Agency will allow Mr. Meza to complete the purchase of all the equipment needed to begin the processing of a daily newspaper.

An analysis of the loan has not been completed, pending receipt of a title report and an appraisal on the personal residence to verify assets to be used as collateral.

Summary of loan:

Loan amount: \$50,000 loan funded by the Redevelopment Agency revolving loan fund
Repayment source: Primary: cash flow from business; secondary: conversion of personal assets of the guarantor

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Recommendations of terms to be included in a repayment agreement:

1. Phase disbursements of funds based on business needs;
2. Submittal of financial statements every 6 months for the first 2 years;
3. Monitoring of employment growth throughout the 5 years;
4. Copies of the lease agreement;
5. Residential property appraisal;
6. Lien on residential property;
7. Certificate of insurance on property and business, naming the Agency as a loss payee on all.

RECOMMENDED STRUCTURE OF THE LOAN:

Five year loan fixed at 3% below prime with interest and principal payments.

RECOMMENDATION:

Approve in concept a \$50,000 loan pending receipt of a title report and appraisal of the collateral to be used as security for repayment of the loan.

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